

MEMORANDUM OF UNDERSTANDING

This Agreement is between the City of San Luis Obispo, a chartered city and municipal corporation, referred herein to “City”, and the County of San Luis Obispo, a political subdivision of the State of California, referred to herein as “County”. The City and County are collectively referred to as “Parties”.

RECITALS

A. Chevron is the owner of 332 acres of real property located at 276 Tank Farm Road, which is just south of the City and in an unincorporated area of the County (“Site”).

B. Chevron is currently in the process of proposing a development agreement for consideration by the City to annex the Site for development and is seeking entitlements to allow for development in the City including amendments of the Airport Area Specific Plan and City General Plan Map.

C. As the Site is currently in the unincorporated area of the County, Chevron is also seeking entitlements from the County to enable it to remediate the Site of certain hazards prior to developing its project in the City.

D. Given the uncertainty of annexation and approval of specific plan amendments in the City, Chevron has decided to also file an application with the County to amend the County General Plan and obtain use permits to allow development in the County, which means Chevron is proposing two separate development options, one within the County’s jurisdiction and/or one within the City’s jurisdiction, depending upon whether annexation of the Site into the City occurs. However, in either case the entitlements to perform the remediation work would be acted on by the County. The project, therefore, would consist of either remediation within the County’s jurisdiction and development within the City’s jurisdiction subsequent to annexation; or, remediation and development within the County’s jurisdiction should annexation of the Site into the City not occur (collectively referenced herein as the “Project”).

E. The Project will require land use entitlements in the form of Specific Plan and Land Use Map amendments, and a tentative tract map, from the City and General Plan amendments, a tentative tract map, remediation permits, and a Conditional Use Permit (CUP) from the County. The permitting process will require compliance with the California Environmental Quality Act, Cal. Public Resources Code, section 21000, et seq. (“CEQA”). Both the City and the County have determined that an environmental impact report (“EIR”) is appropriate.

F. Marine Research Specialists (“Consultant”) is under separate contract with each Party to prepare an EIR for the Project. To date, Parties have been engaging Consultant in the preparation of the EIR as “co-Lead Agencies”.

G. Under the CEQA Guidelines (Title 14 of the California Code of Regulations) Section 15051(d), when two or more public agencies have jurisdiction over a project subject to CEQA

review, the public agencies may by agreement designate an agency as the Lead Agency. An agreement also may provide for cooperative efforts by two or more agencies by contact, joint exercise of powers, or similar devices.

AGREEMENT

NOW THEREFORE, IT IS MUTUALLY AGREED AND UNDERSTOOD AS FOLLOWS:

1. Entitlement Authority. The City shall have the sole authority to issue land use and Specific Plan amendments and Tentative Tract Map approval for that portion of the Project located within or proposed to be annexed into its boundaries, and the County shall have the sole authority to approve General Plan amendments, a tentative tract map, a CUP, and remediation project approvals for that portion of the Project located within its boundaries.
2. Designation of Lead Agency. The Parties agree that for the purposes of satisfying CEQA requirements to process and ultimately certify an EIR for the Project, the City shall act as and assume the legal responsibilities of Lead Agency. In the event that, in acting on any portion of the Project and considering whether to certify the Final EIR, the City declines to certify the Final EIR for any reason, the County shall act as Lead Agency for purposes of acting on any portion of the Project and certifying the Final EIR .
3. CEQA Responsible Agency Special Duties. The Parties agree that, in accordance with CEQA Guidelines Sections 15096 and 15381, County shall act and assume the responsibilities of Responsible Agency, and shall actively participate in the Lead Agency's CEQA Process, including reviewing and revising the Lead Agency's CEQA document and responses to comments, and shall use that document when making a decision on the Project. County shall not grant discretionary approval of any portion of the Project until the City has acted on the Project and either certified the Final EIR or declined to certify the Final EIR.
4. Dispute Resolution. In the event a dispute arises regarding the preparation and/or review of the Lead Agency's CEQA document, mutual negotiations shall occur at the Project staff level. Any remaining issues shall be considered at a negotiation sessions between the City's Community Development Director and the County's Director of the Department of Planning and Building(collectively referred to as "Directors").
5. EIR Documents. All EIR documents shall bear the seals of both Parties.
6. Additional County Meetings for Project. If County holds separate and/or additional public meetings/hearings regarding the Project, the County will forward all public comments received to the Consultant.
7. Confidentiality of Drafts. All administrative reports, studies, materials, and documentation, including but not limited to all administrative drafts and administrative finals, relied upon, produced, created or utilized for the Project and shared among the Parties will be held in confidence pursuant to Government Code section 6254.5(e). The Parties agree that said material will not be distributed, released or shared with any other organization, person or group

other than the parties' employees, agents and consultants whose work requires that access without the prior written approval of the party with the authority to authorize said release and except as required or authorized by statute or pursuant to the terms of this Agreement.

8. Review of Drafts. The Parties agree that the Consultant will provide draft documents to the Parties for joint review and approval before their release to Chevron or to the public. Disputes regarding modifications shall follow the same process as outlined in paragraph 4. County shall review and provide to City any of its comments on draft documents related to preparation of the EIR within the time schedule coordinated by the City's Project planner (with scheduling input from the County's review team).

9. Cooperation. The Directors, or their designees, shall confer monthly by conference call, at key milestones in the Project review process, and as needed to discuss schedule, policy issues, and other matters relevant to the preparation of the EIR. The Directors or their designees shall meet in person prior to the release of the DEIR and prior to the release of the FEIR.

In WITNESS WHEREOF, the City of San Luis Obispo and the County of San Luis Obispo have executed this Agreement as of the latest day and year written below.

CITY OF SAN LUIS OBISPO

COUNTY OF SAN LUIS OBISPO

By: _____
Jan Marx, Mayor

By: _____

APPROVED AS TO FORM

APPROVED AS TO FORM AND LEGAL

EFFECT

RITA L. NEAL

County Counsel

By: _____
J. Christine Dietrick, City Attorney

By:  _____
Deputy County Counsel